

ECONOMIC RECONSTRUCTION IN THE NORTHERN STATES

CHALLENGE OF COORDINATION FOR INVESTMENT & EMPLOYMENT

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April, 2016

FROM CRISIS TO STATE COORDINATION AGENCY

Impact of Economic Globalization on NE & NW

Political Demography of Youth Crisis in NE & NW

States as Powerful Actors with Resources & *Social Capital*

State Development Agencies: Plan, Promote, **Coordinate**

Coordination of Actors Facilitates Growth/Productivity

Malaysia: Penang Development Corporation (PDC)

Kano: Challenges of Industrial Employment 2004-15

Backward & Forward Linkages: Meat-Leather Products

IMPACT OF ECONOMIC GLOBALIZATION ON NORTH

Economic Globalization: Creates Opportunity for Insurgency/Crime

Collapse of Manufacturing, Banking (*riba*), Resistance to New Media

Liberalization of Economy Shifts Power from State to Markets

Federal Character/Preferences are **Outside** of NeoLiberal Economy

Liberal Reforms Privilege Southern Educated Market Competitors

Polarization: Dynamic, Richer South VS Stagnant, Conflicted, North

Goldstone's Theory of Demographic Crisis, Youth & Extremism

Economic Globalization Contributes to Regional Polarization &
Rising Poverty, Fragmentation and Marginalization Muslim North

POLITICAL DEMOGRAPHY OF NORTHERN CRISIS

Northern Nigeria → Demographic-Ecological Crisis

Social & Ecological “Carrying Capacity” Weakened

Rising Population → Rising Herder-Settler Conflicts

13 year Insurgency is Driven by Rising “Youth Bulge”

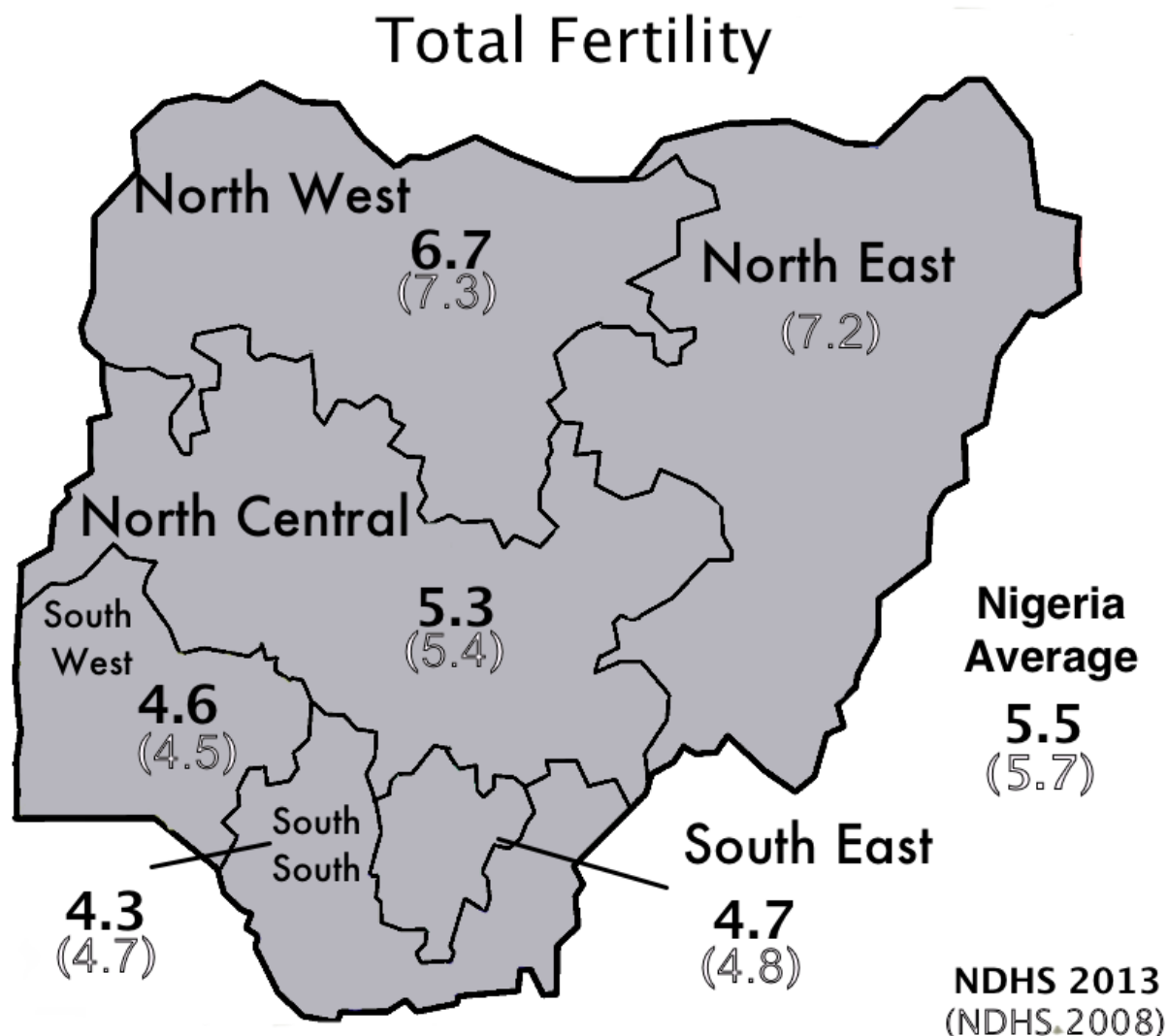
Population Growth Lowers Per capita Incomes

Health & Education Budgets Cannot Meet Demand

Trends Guarantee Impoverished Urban Migrants

Unlimited Supply of Youths for Extremist Groups

NORTHERN "YOUTH BULGE" GENERATOR OF UNEMPLOYMENT

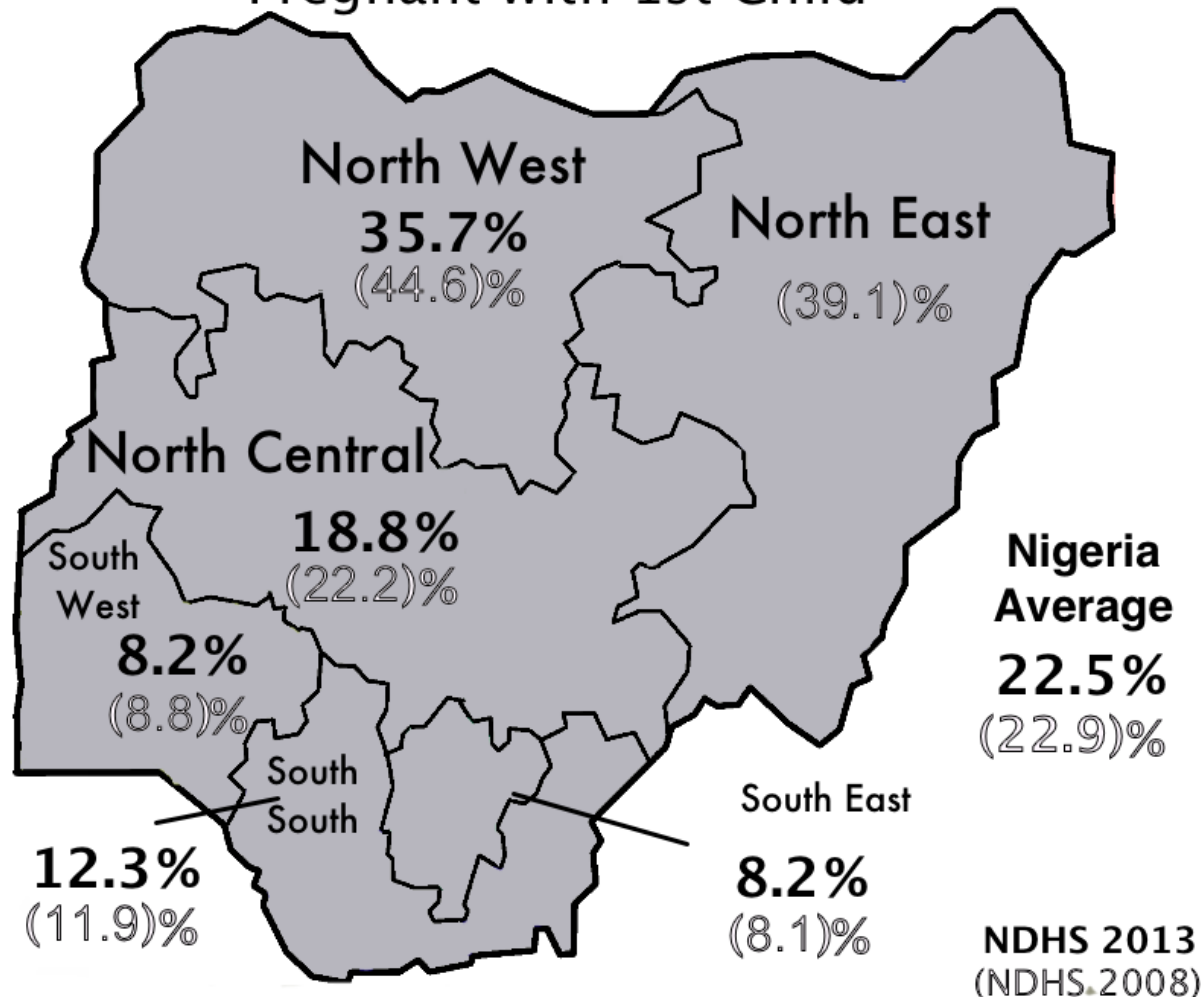


BIRTHS PER WOMAN

	Indonesia	Malaysia
Births Per Woman	2.18	2.58

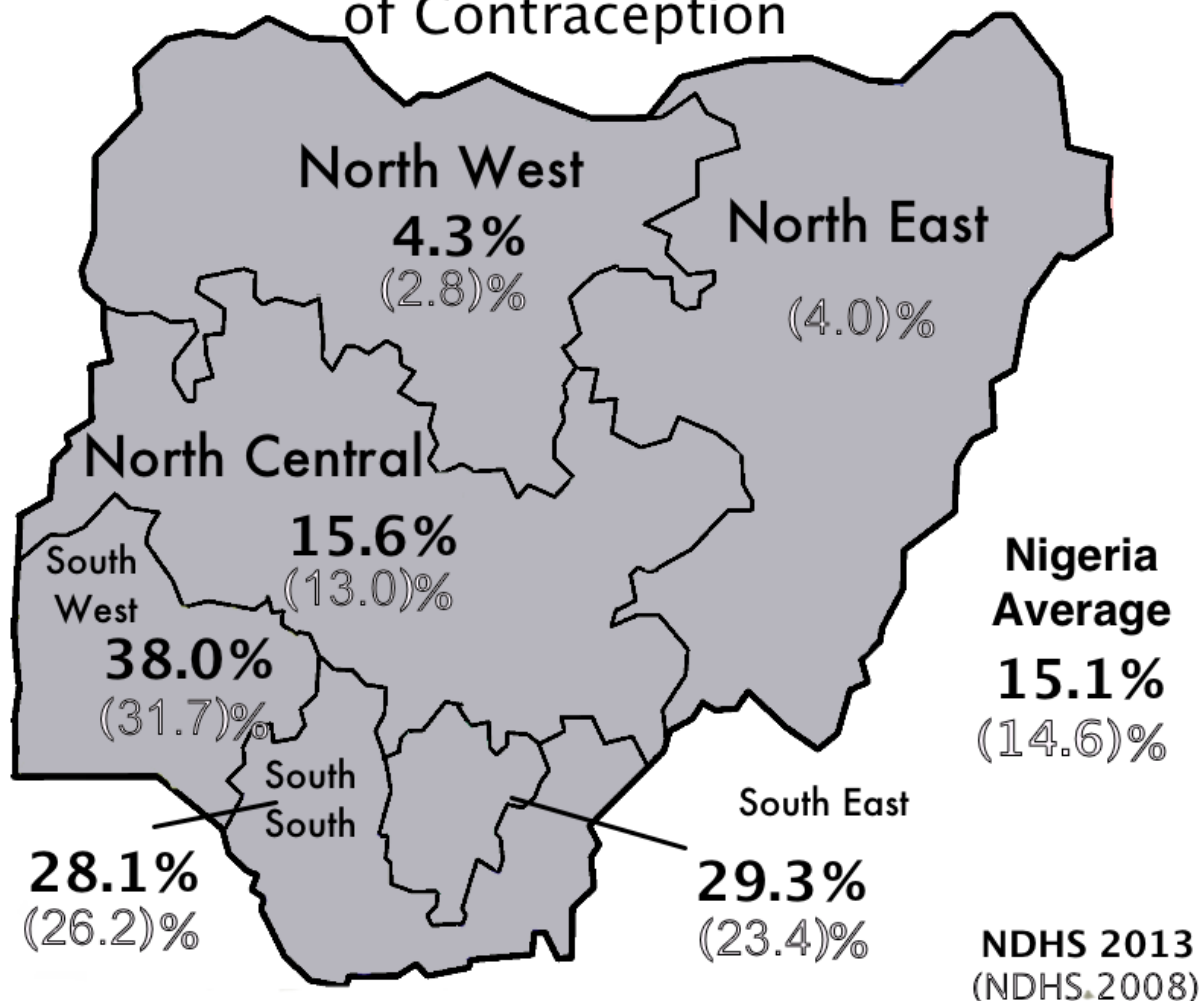
ROLE OF GIRLS EDUCATION

Women 15–19 Who Have Given Birth or Are Pregnant with 1st Child



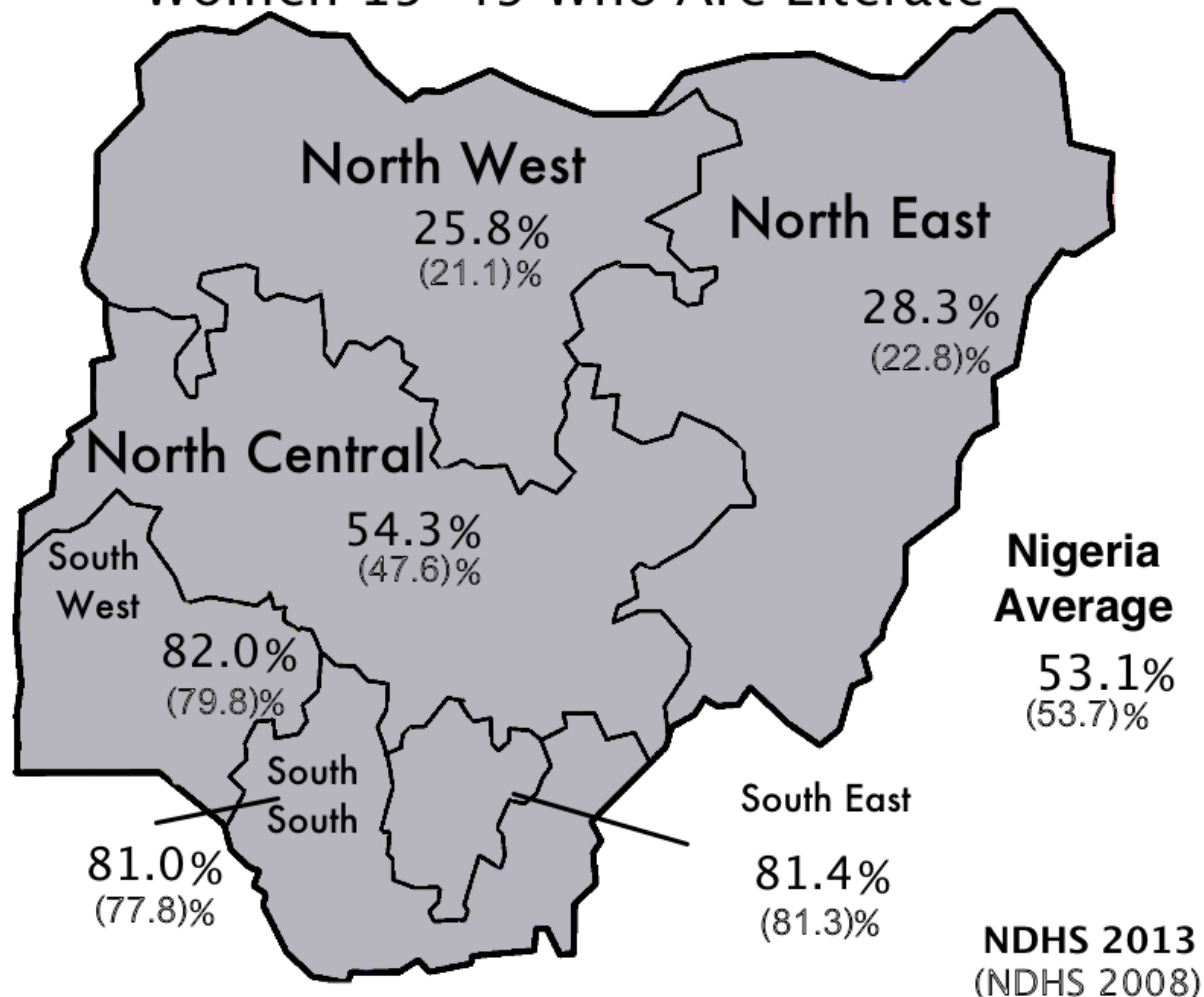
USE OF REPRODUCTIVE HEALTH SERVICES

Women 15–49 Currently Using Any Method of Contraception



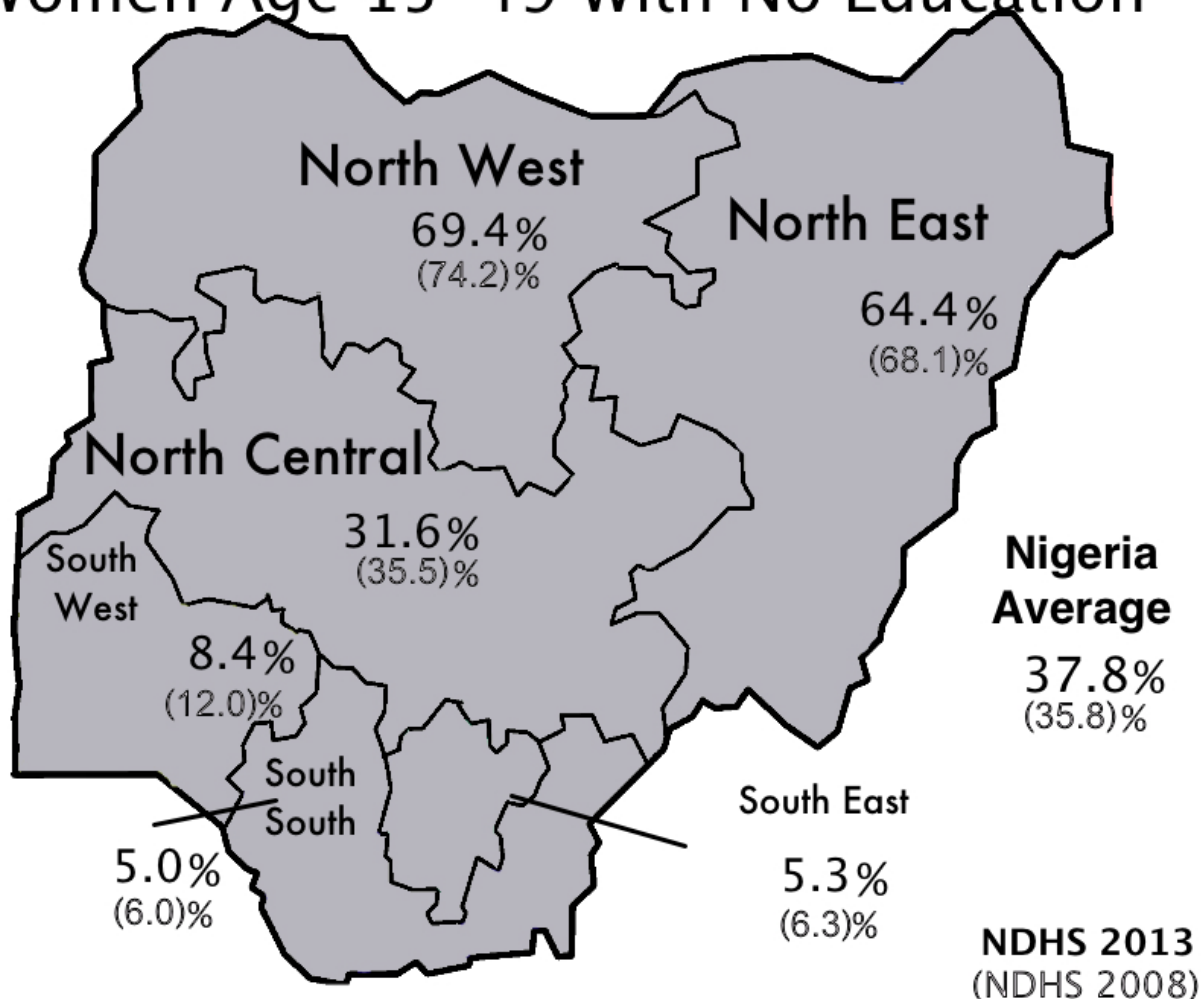
WOMEN'S LITERACY

Women 15-49 Who Are Literate



WOMEN'S ACCESS TO EDUCATION

Women Age 15–49 With No Education



WOMEN AGE 15 AND ABOVE WHO CAN READ AND WRITE

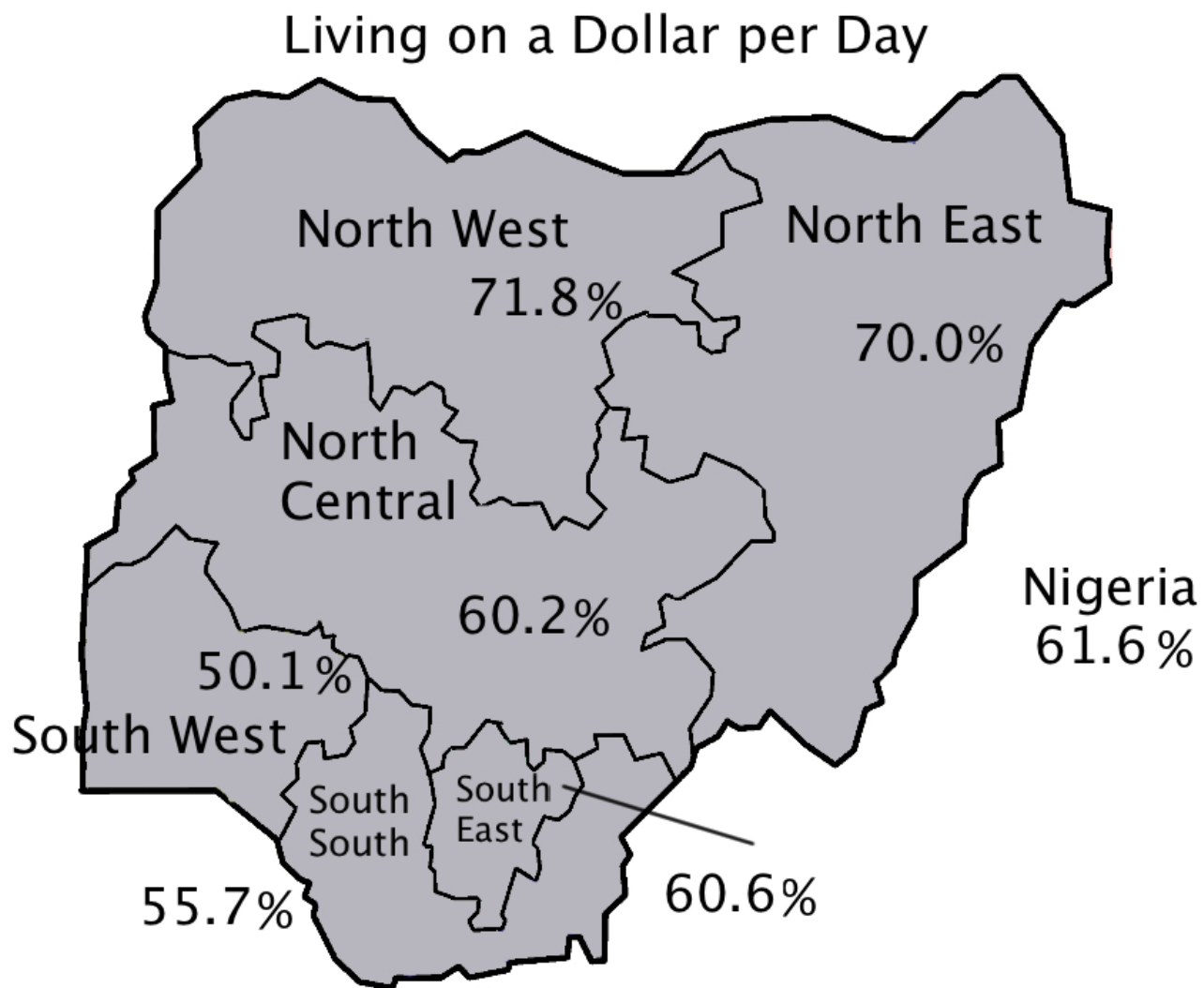
	Indonesia	Malaysia
Men	95.6%	95.4%
Women	90.1%	90.7%
Total	92.8%	93.1%

FEMALE SECONDARY SCHOOL PARTICIPATION, NET ENROLMENT RATIO 2008-2012

Indonesia	Malaysia
74.4%	71.3%

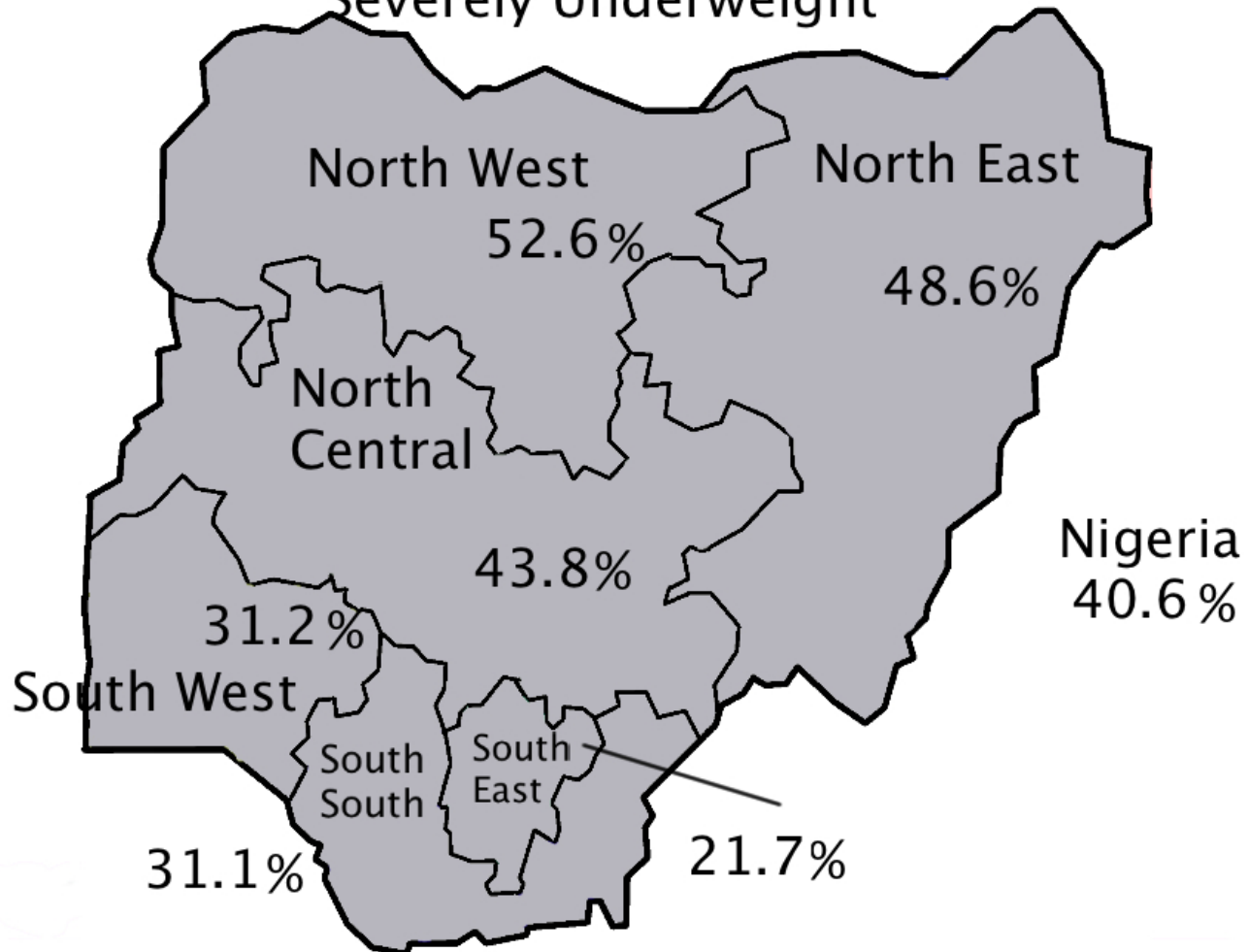
Source: UNICEF

LIVING ON A DOLLAR A DAY



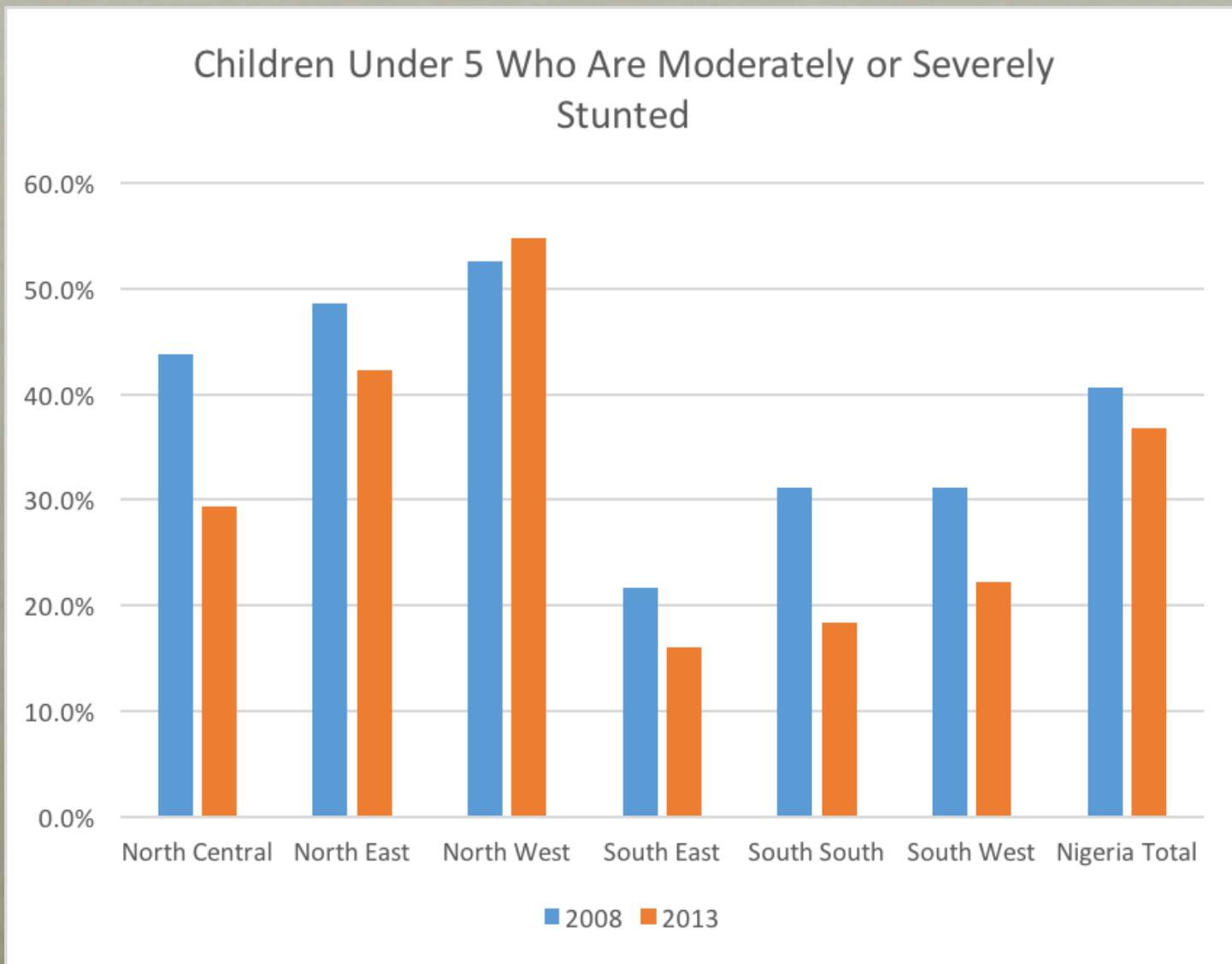
CHILDREN UNDER 5 WHO ARE MODERATELY OR SEVERELY UNDERWEIGHT

Children Under 5 Who Are Moderately or Severely Underweight



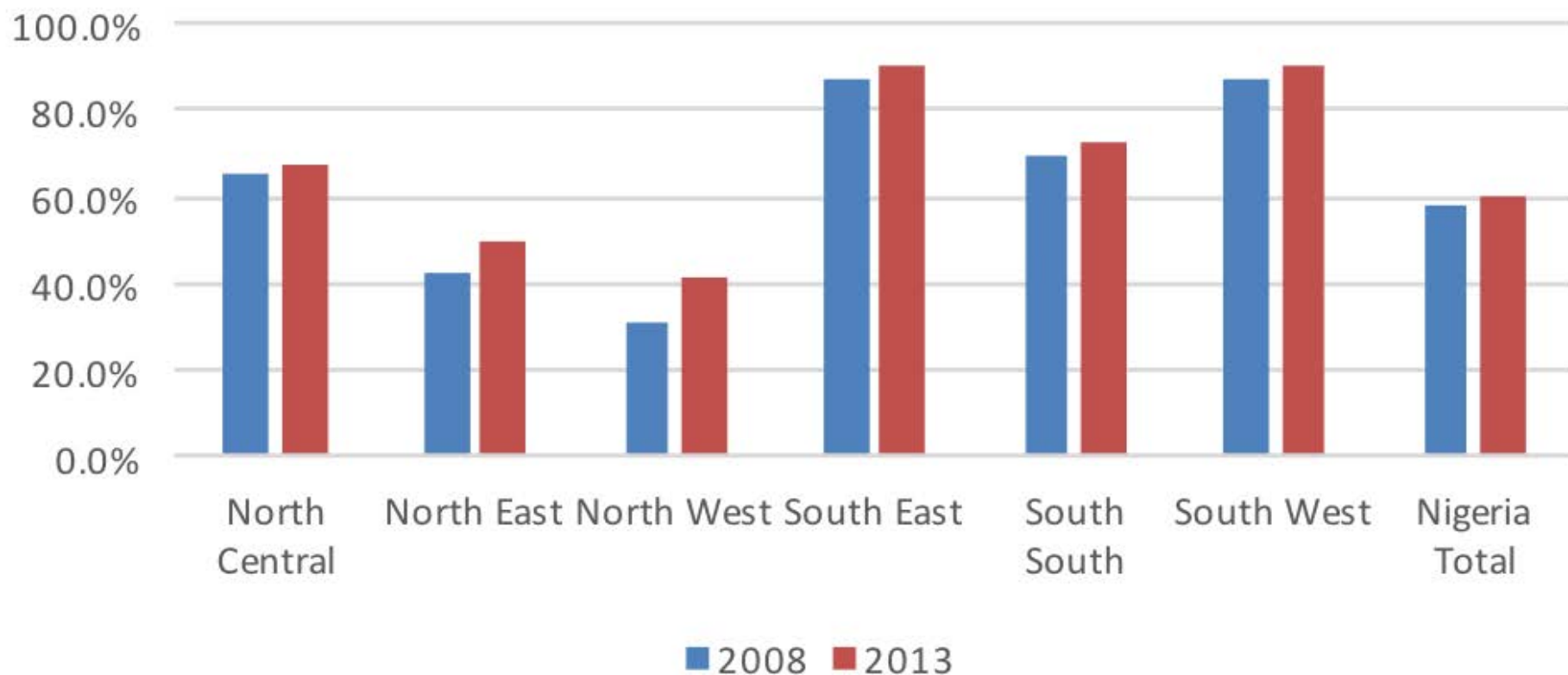
Source: 2008 Nigeria Demographic and Health Survey

IMPACT OF POVERTY ON YOUTH'S HEALTH



NEED FOR FAMILY HEALTH SERVICES

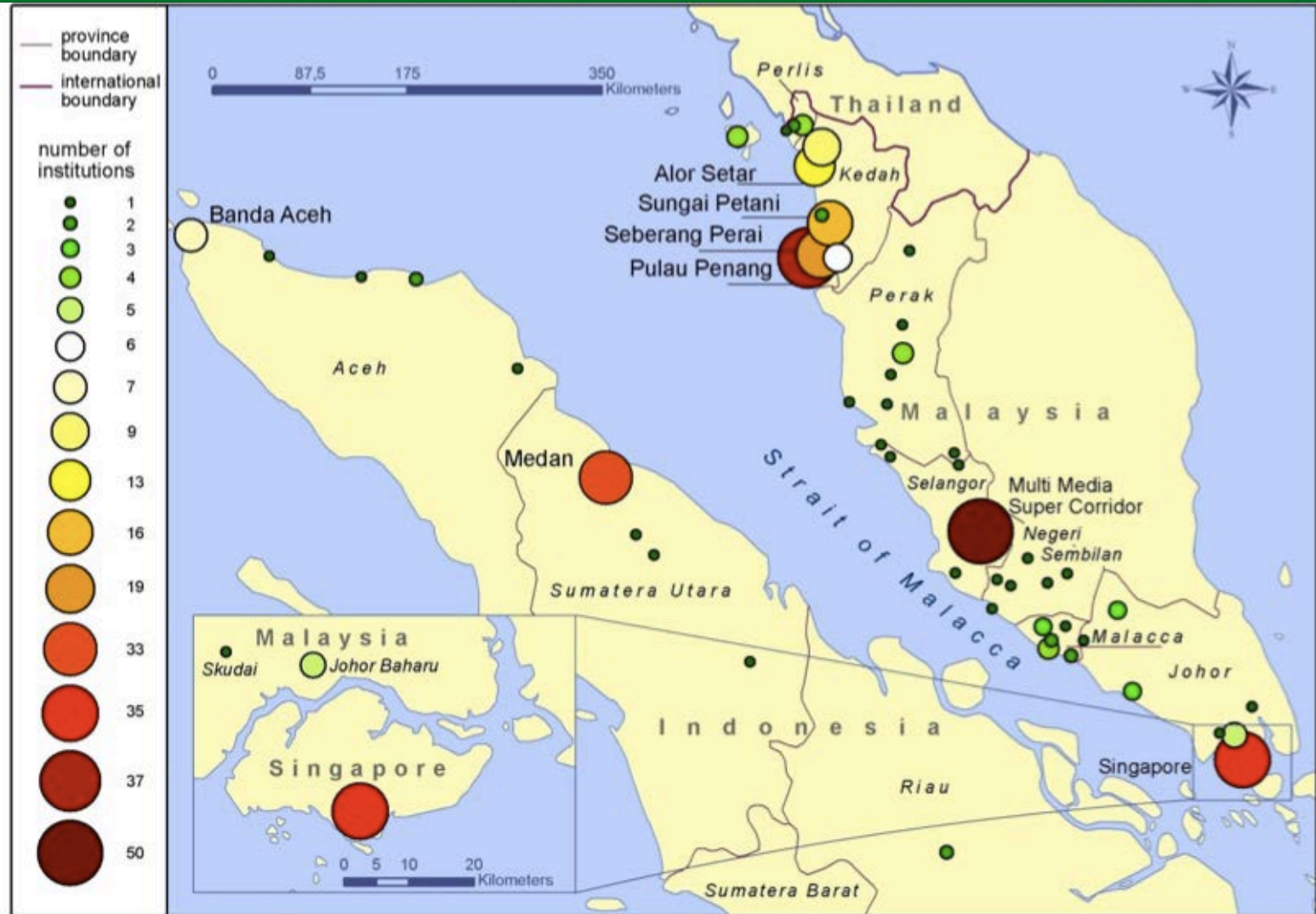
Women Who Received ANC From a Skilled Provider for Most Recent Pregnancy



POLITICAL MAP OF MALAYSIA



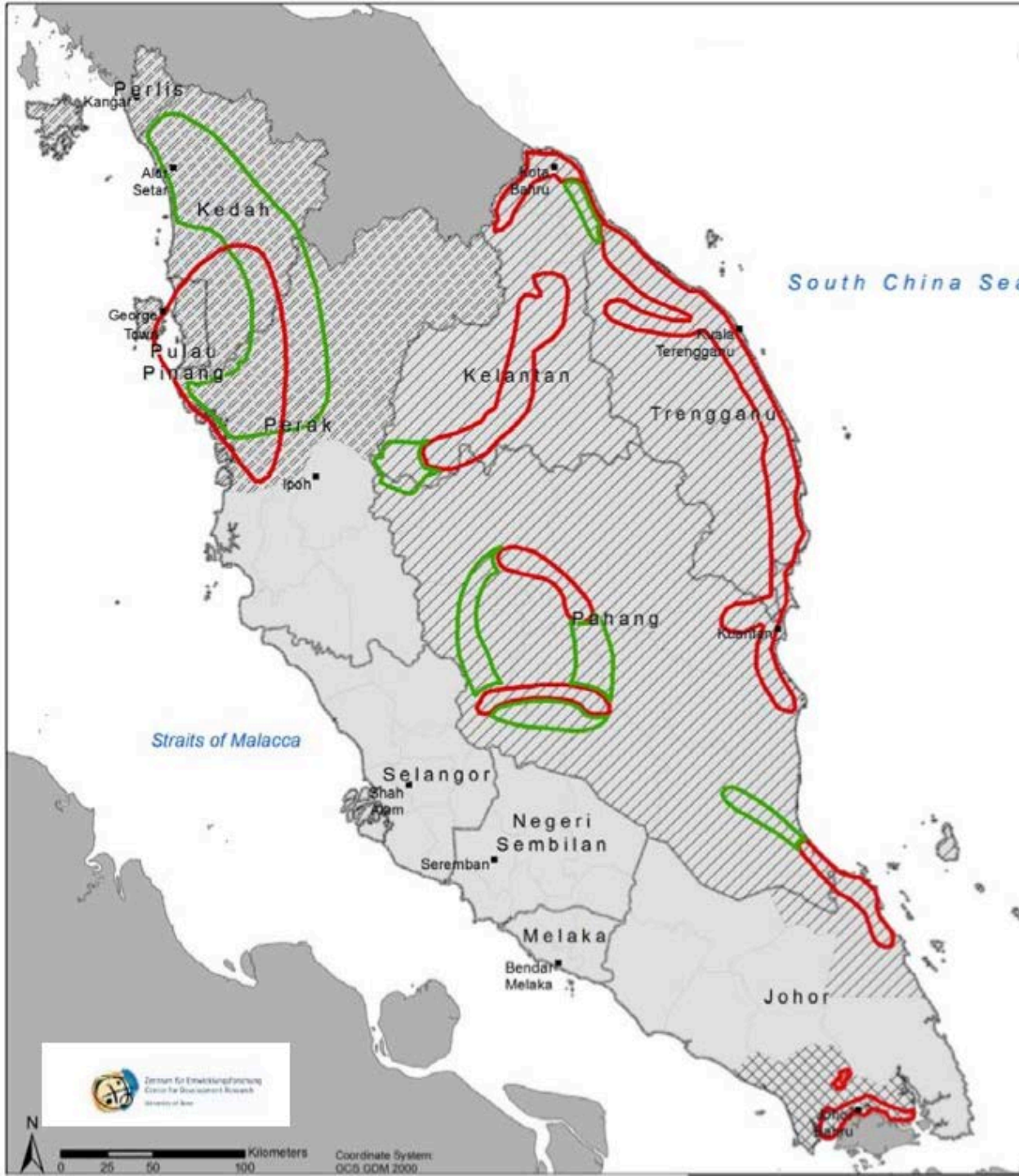
KNOWLEDGE CLUSTERS ALONG THE STRAITS OF MALACCA



Source: (Evers, Gerke and Hornidge 2008; Evers and Hornidge 2007:426)



Penang



Legend

Corridors

-  Agriculture Corridor
-  Industry Corridor

NCER



ECER



Iskandar



Federal States



Bordering countries



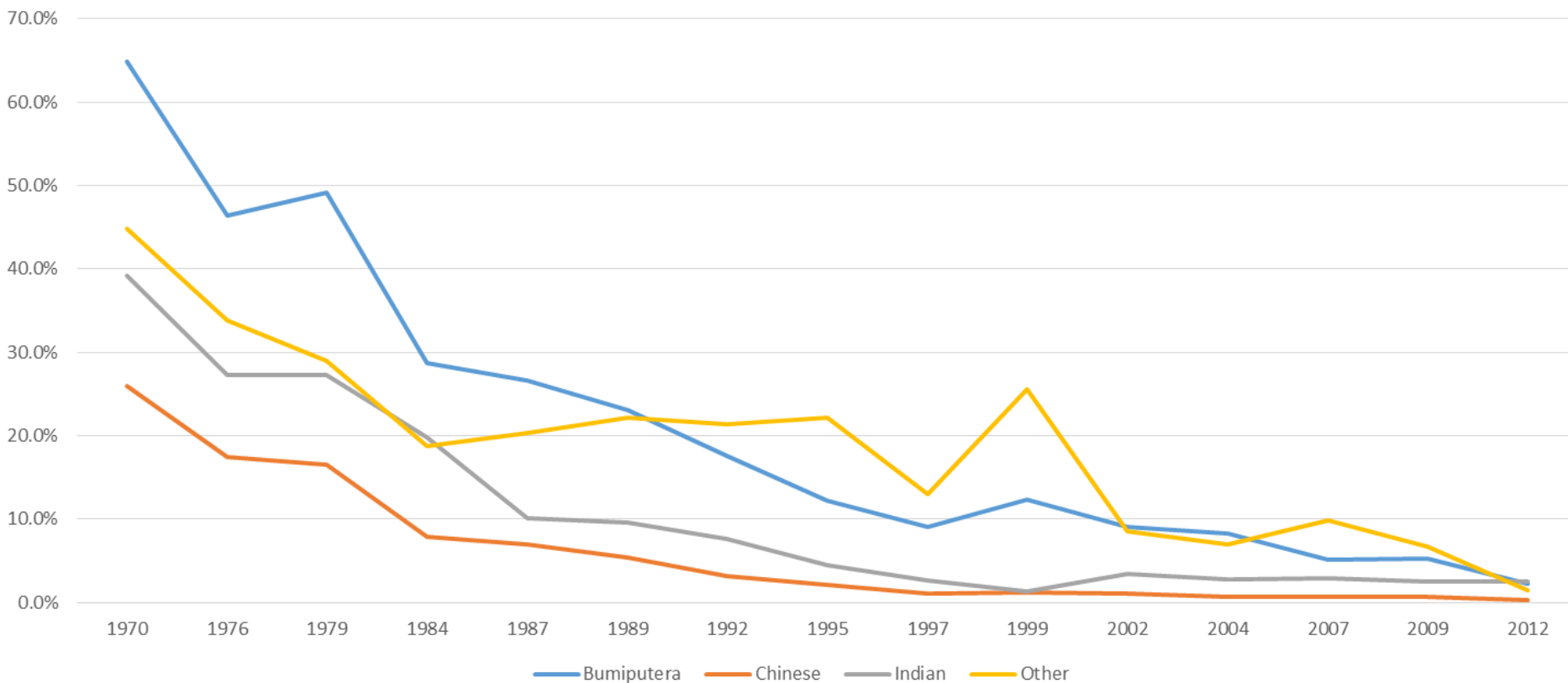
Development
Regions and
Corridors of
Peninsular
Malaysia



Coordinate System:
QCS GDM 2000

POVERTY REDUCTION BY ETHNIC GROUP

Incidence of Poverty in Malaysia by Ethnic group, 1970-2012



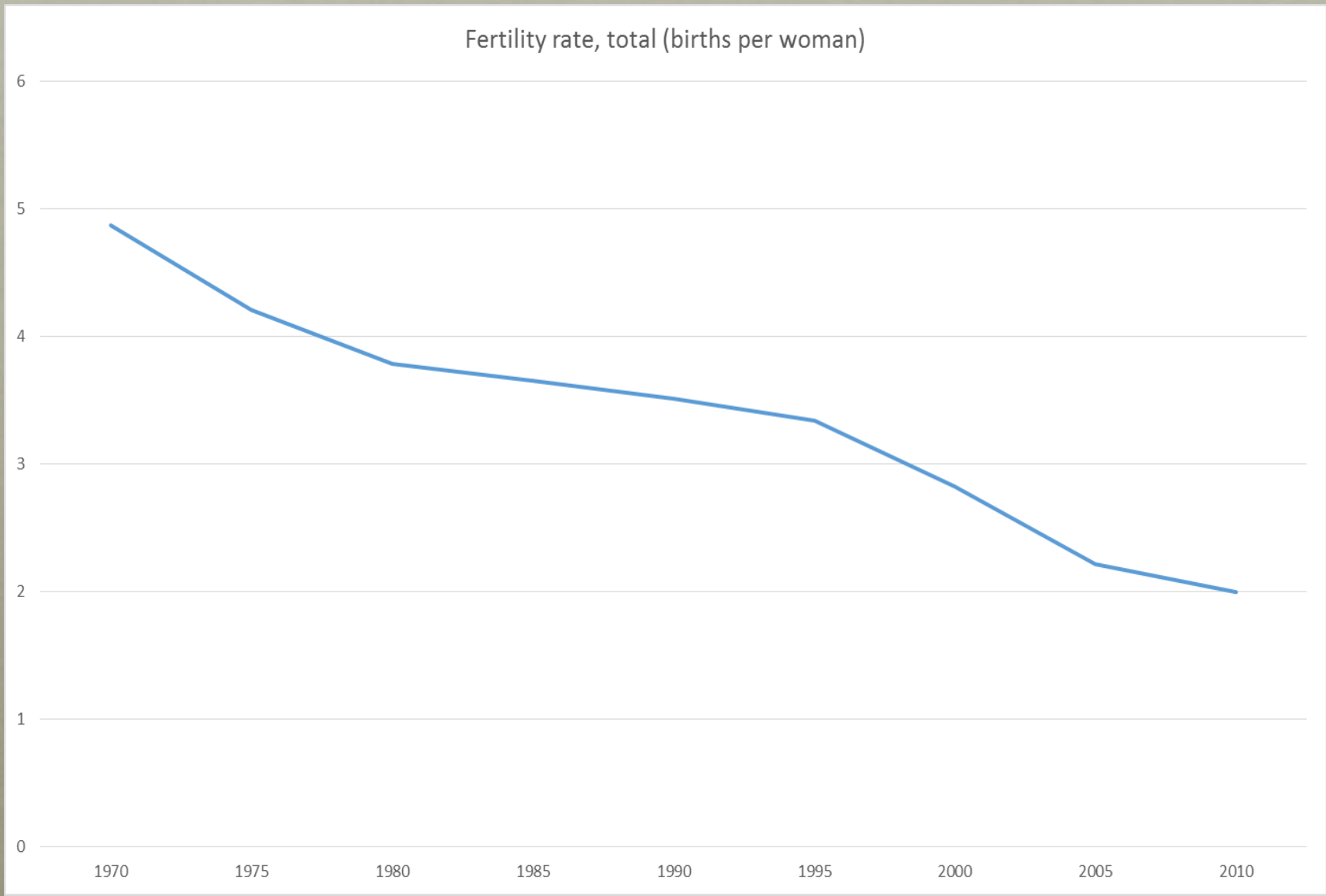
POVERTY REDUCTION BY ETHNICITY

Incidence in poverty in Malaysia by ethnic group, 1970-2012

	1970	1976	1979	1984	1987	1989	1992	1995	1997	1999	2002	2004	2007	2009	2012
Bumiputera	64.8%	46.4%	49.2%	28.7%	26.6%	23.0%	17.5%	12.2%	9.0%	12.3%	9.0%	8.3%	5.1%	5.3%	2.2%
Chinese	26.0%	17.4%	16.5%	7.8%	7.0%	5.4%	3.2%	2.1%	1.1%	1.2%	1.0%	0.6%	0.6%	0.6%	0.3%
Indian	39.2%	27.3%	27.3%	19.8%	10.1%	9.6%	7.6%	4.4%	2.6%	1.3%	3.4%	2.7%	2.9%	2.5%	2.5%
Other	44.8%	33.8%	28.9%	18.8%	20.3%	22.1%	21.3%	22.1%	13.0%	25.5%	8.5%	6.9%	9.8%	6.7%	1.5%

Source: Malaysian Department of Statistics, Malaysian Economic Planning Unit, World Bank

TOTAL FERTILITY RATE



TOTAL FERTILITY RATE

1970	1975	1980	1985	1990	1995	2000	2005	2010
4.872	4.209	3.789	3.656	3.515	3.339	2.825	2.216	2.002

Source: World Bank and Malaysian Department of Statistics

TERTIARY EDUCATION/ETHNIC GROUP

Tertiary education in Malaysia by ethnic group, 1980-2000 (% of enrollments)

	1980	1990	2000
Bumiputera	49.24%	59.65%	59.92%
Chinese	39.71%	32.13%	32.52%
Indian	8.61%	6.27%	6.80%
Other	5.43%	1.95%	0.76%

Source: "Access to and Equity in Higher Education - Malaysia," World Bank, 2012

TERTIARY EDUCATION BY ETHNICITY/GENDER

Individuals with higher education, 1980-2000 (% total population with higher education)

		1980	1991	2000
Bumiputera	<i>Male</i>	67.79%	58.40%	50.93%
	<i>Female</i>	32.21%	41.60%	49.07%
Chinese	<i>Male</i>	69.53%	60.48%	54.64%
	<i>Female</i>	30.49%	39.52%	45.36%
Indian	<i>Male</i>	66.82%	63.39%	56.28%
	<i>Female</i>	33.18%	36.61%	43.72%

Source: World Bank, Malaysian Department of Statistics, Malaysian Economic Planning Unit

MALAYSIA: STATE INDUSTRIAL DEVELOPMENT AGENCIES

What Can Northern Nigeria Learn from Malaysian Experience?

Crisis of 1969: HI Unemployment, Communal Violence, “NEP”

Democratic Federalism Empowers States to Coordinate Investors

States Control Land, Infrastructures, Industrial Estates, Identities

States Used State-Region Development Agencies for HI Growth

State Development Agencies Promoted Industrial Investment

Penang Development Corporation Recruited ICT Firms, Linkages, Upgraded Labor, Industrial Zones & Other States Followed Lead

Penang Mobilized “Regional Social Capital” & Networks of *Trust*

LESSONS: STATE DEVELOPMENT AGENCIES

Identities & Regional Loyalties Constitute Potential Social Capital

Federated Democracies Possess Autonomy for Regional Initiatives

Regional “Social Capital” Facilitates Cooperation & Public Goods

Industrial Development Agencies Survive Political Change in State

SDAs Provide Institutional Continuity and Coordination

SDAs Must Report to Governor & Have Confidence of Investors

SDAs Require Professional Staff with *Private Sector* Experience

SDAs Coordinate Economic Governance & Spur Growth

KANO: COORDINATION DEFICIT

Thirty Years of Industrial & Manufacturing Decline: 1986---2015

2004-Urban Youths & Communal Conflict (Yelwa) Creates KAPADI

KAPADI Organizes Kano Economic Summit: No Continuity

2006-11: Bayero University Prof Promotes Kano ICT Park

2011-15: New Administration Converts ICT Park to new University

ICT Firms & GSM Repairers (5000) Lose Technical Support

Great Improvements in Infrastructure, Housing, Roads, Education

No Improvement in Employment Generating Industries nor a Plan

Need for Education to be Linked to Employment & Industries

KANO ICT PARK



CASE FOR KANO INDUSTRIAL DEVELOPMENT AGENCY

Kano's Industrial Recovery is Key for NW & NE Reconstruction

KIDA Offers Potential **Coordination** for Investors, Stakeholders & FGN:

Kano: Industrial Estates (7): NO Oversight or **Coordination of Function**

Fragmented, Weak Industrial Infrastructure, Bad Roads, Power, Security,

KIDA Should Provide Information, Mapping & **Governance** Ideas

KIDA Should Recruit Investors by **Coordinating** with Abuja-FGN, Donors

KIDA Should Support Producer Associations for Coordination & Needs

KIDA Should Recruit **Developmental Firms** for Subcontracting Networks

KIDA Should Promote Management Agency for Industrial Clusters

BACKWARD LINKAGES TO MEAT & LEATHER INDUSTRY

Incomes are Rising in Wealthier Cities of Southern Nigeria

“Real” Price of Meat in Southern Nigeria Rises @ 8 %/Yr

Middle Class Incomes Increase Meat Demand & Price

Raising Small Animals Can Boost Northern Family Incomes

Leather is a Valuable By-Product but Only 20 % of animal value

Northern Families Need Credit, Vet Services, Networks to Participate & Produce within Meat-Leather Value Chain

Northern Families & Women Need Credit, Services, Vet Support to Produce for Nigeria’s Leather & Meat Market (200m)

Ecology: Sustainable Agro-forestry: Required to Produce Fodder

Meat-Leather Linkages REQUIRE COORDINATION by SDA/KIDA

LEATHER INDUSTRY LINKAGES

Profitable Industry @ Challawa: Finished Leather Export \$700 m/Yr

Shortage of Sheep & Goat Skins for Tanning: 48 % Imported-Sahel

Industrial Policy: EEG (30 % Credit) Subsidizes EXPORTS

Local Shoe Industries Complaint: No Raw Material, No Work

Lack of **Coordination** to Promote Regional Leather Supply Chain

KIDA Should Organize Women Invest in Sheep & Goats for Market

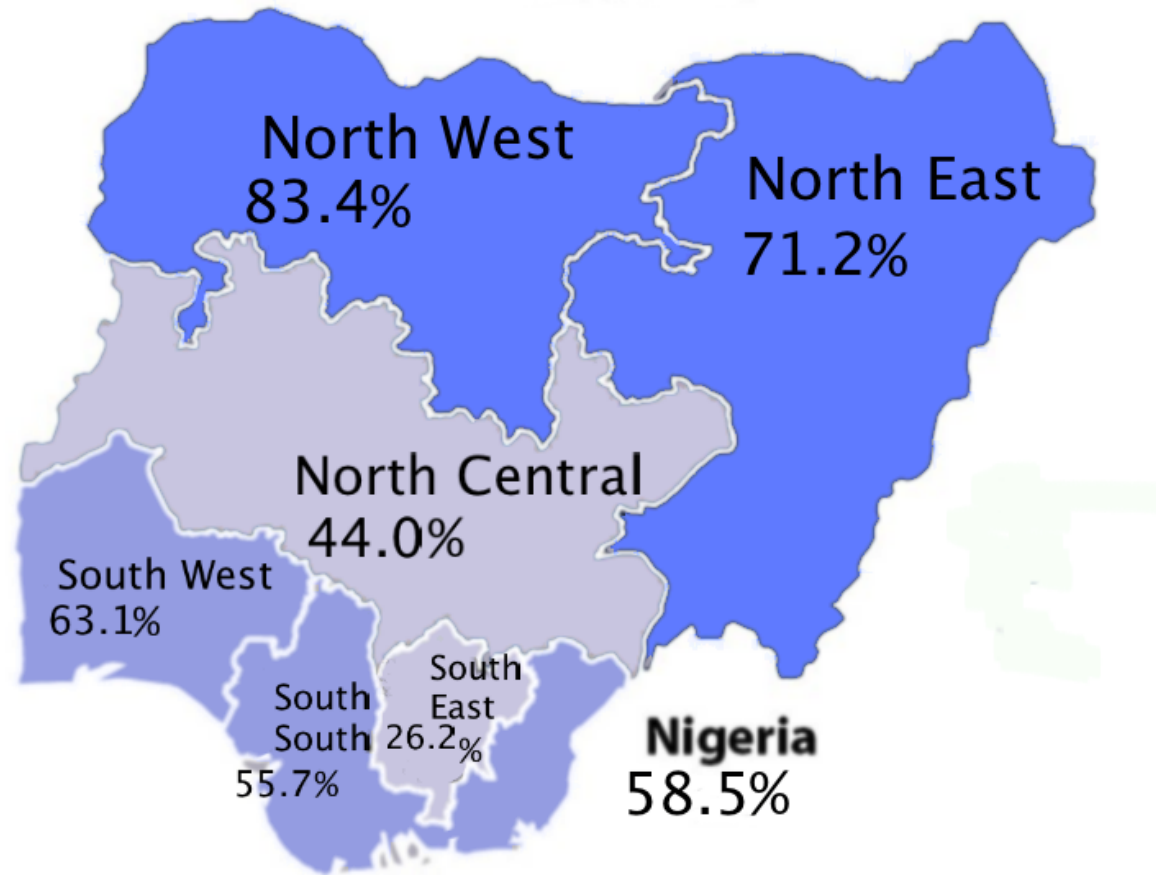
KIDA & Tanneries **MUST** Support Improved Production Networks

KIDA & NGOs **MUST** Provide **Micro-Finance** for Women

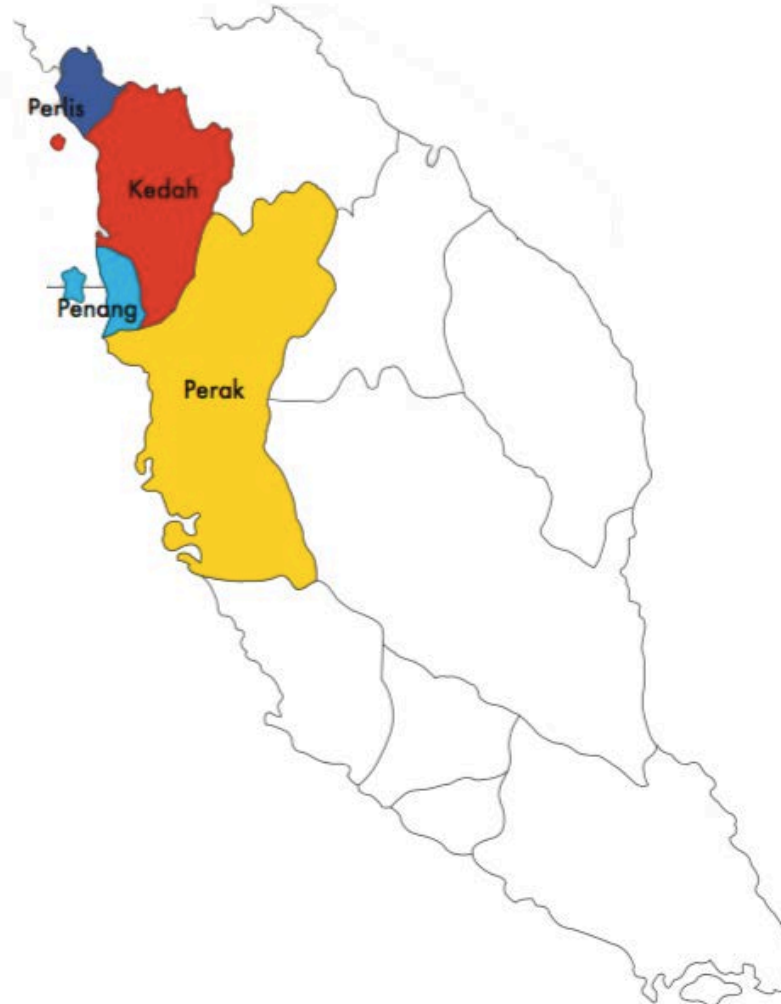
RAISE Status of Women/GIRLS Through Credit & Animal Sales

ACCORDING TO WIFE: CONTROL IS MAINLY WIFE

Control Over Wife's Cash Earnings – Mainly Wife



NORTHERN CORRIDOR



NORTHERN CORRIDOR: KANO-ZARIA-KADUNA

